

**SENATE STANDING COMMITTEE ON EDUCATION, EMPLOYMENT AND
WORKPLACE RELATIONS**

Inquiry into *Fair Work Bill 2008*

Question on Notice

Hearing, Perth, 29 January 2009

Minister for Commerce, WA Government

Question from Senator Cameron at page 19 *Committee Hansard*, 29 January 2009:

Could I ask you to take on notice my question for you to have a look at the Oslington-Freyens analysis and the statistics that are in there in relation to the amount of money that is paid for unfair dismissals and see whether you still maintain this position?

Answer

The Western Australian Government is concerned that the removal of unfair dismissal exemptions will deter businesses, particularly small businesses from employing new staff. In addition, it has concerns about the financial costs borne by business owners who, for legitimate reasons, have dismissed an employee.

The Oslington-Freyens¹ analysis indicates the average costs of an uncontested dismissal is \$3,044, a contested dismissal settled through conciliation is \$12,818, and a contested dismissal settled through arbitration is \$14,705. These costs equate to between 10.3 per cent and nearly 36 per cent of an annual wage cost.

The WA Government continues to support a more streamlined process for dealing with unfair dismissal applications and reiterates its concerns about aspects of the *Fair Work Bill 2008* as presented in its Submission to this Committee.

¹ Freyens, B & Oslington, P 2007, 'Dismissal Costs and Their Impact on Employment: Evidence from Australian Small and Medium Enterprises', *The Economic Record*, vol 83, no. 260, March, 2007, pp. 1-15